

EXHIBIT “B”

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS
CIVIL ACTION NO. 04-10374WGY

* * * * *
NORTH AMERICAN SPECIALTY)
INSURANCE COMPANY,)
Plaintiff,)
vs.)
MARY & JOSEPHINE CORP. and)
MATTEO RUSSO,)
Defendants.)
* * * * *

VOLUME I - 1

I N D E X

Deposition of: Direct Cross
ROBERT McVEY
By Mr. Pettingell 10

E X H I B I T S

No.	Page
1 Renotice of Deposition	5

DEPOSITION OF ROBERT McVEY, a witness

called on behalf of the Defendant, Mary &
Josephine Corp., pursuant to the Federal Rules
of Civil Procedure before Jo Anne M. Shields,
Professional Shorthand Reporter and Notary
Public in and for the Commonwealth of
Massachusetts, at the Law Offices of Joseph G.
Abromovitz, P.C., 858 Washington Street,
Dedham, Massachusetts, on Wednesday, January 5,
2005, commencing at 10:00 a.m.

DUNN & GOUDREAU COURT REPORTING SERVICE, INC.
One State Street
Boston, Massachusetts 02109
Telephone (617) 742-6900

APPEARANCES:

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for the Plaintiff

RICHARD H. PETTINGELL, ESQUIRE
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(617) 778-0890
for the Defendant, Mary & Josephine Corp.

JOSEPH G. ABROMOVITZ, ESQUIRE
THE LAW OFFICES OF JOSEPH G.
ABROMOVITZ, P.C.
858 Washington Street
Dedham, Massachusetts 02026
(781) 329-1080
for the Defendant, Matteo Russo

ALSO PRESENT:

William J. Scola

S T I P U L A T I O N S

It is stipulated by and between
counsel for the respective parties that the
deposition transcript is to be read and signed
by the deponent under the pains and penalties
of perjury; and that the sealing and filing
thereof are waived; and that all objections,
except as to form, and motions to strike are
reserved to the time of trial.

* * *

P R O C E E D I N G S

MR. PETTINGELL: All right. Good morning,
everybody. We're here this morning on a
Rule 30(b)(6) deposition of North American
Insurance Company. And, I guess, since today
is January 5th, we'll use the renotice of the
deposition dated January 5th for purposes of
what we're going to talk about.

And I understand, Mr. Langer, that you've
brought three people with you today to respond
to the various areas of inquiry. So I wonder
if we could first mark a copy of the January
5th deposition notice as an exhibit. I guess
that would be Exhibit 1.

1 (Renotice of Deposition marked as McVey
2 Exhibit No. 1.)
3 MR. PETTINGELL: Okay. So referring to
4 Exhibit 1, I wonder if you could identify who
5 you've brought and who's going to be responsive
6 to which allega- -- which paragraphs.
7

8 MR. LANGER: Present on behalf or as
9 designees for North American Specialty
10 Insurance Company are William Scola, Robert
11 McVey, and Lynanne Houde.

12 With regard to Paragraph 1 of the notice,
13 which asks for information regarding the
14 recitation in Paragraph 14 of the Complaint for
15 Declaratory Judgment, that, "On October 3rd,
16 2003, Defendant Russo, on behalf of Defendant
17 M&J, called OMIA and advised that the Fishing
18 Vessel MARY & JOSEPHINE had not been fishing
19 since May 2003," both Ms. Houde and Mr. McVey
20 will testify regarding conversations with Mr.
21 Russo.

22 Paragraph 2 of the notice asked that we
23 produce -- that NAS produce a witness regarding
24 the allegations in Paragraph 15 of the
Complaint for Declaratory Judgment, that,

5 1 would continue to provide port risk only
2 2 coverage with no coverage for any crewmen until
3 3 Defendants advised Vessel had returned to
4 4 active fishing, at which point Plaintiff would
5 5 reinstate full operational coverage.
6

7 6 "Additional credits would accrue to M&J
8 7 during this period of port risk coverage, which
9 8 credits would be applied either upon the
10 9 Vessel's return to full operational coverage or
11 10 the end of the policy year on August 13th,
12 11 2004, whichever occurred first." That would be
13 12 both Mr. McVey and Ms. Houde.

14 13 Paragraph 5 asked that NAS provide a
15 14 witness regarding allegations in Paragraph 18
16 15 of the Complaint for Declaratory Judgment, to
17 16 wit, 'On October 3, 2003 and again on November
18 17 21, 2003, OMIA informed Defendants in writing
19 18 that the Vessel was covered by port risk
20 19 coverage only and that when the Vessel returned
21 20 to full fishing operations, notice should be
22 21 provided to OMIA so that policy could be
23 22 amended appropriately.' Ms. Houde will respond
24 23 to those issues.

25 And, finally, Paragraph 6, "What is meant

1 6 1 by 'port risk coverage' as same was intended by
2 2 2 either NAS or OMIA during calendar year 2003,"
3 3 3 Mr. Scola will respond to that.

4 4 4 MR. PETTINGELL: All right. Fine. Thank
5 5 5 you. I would propose that we start with
6 6 6 Mr. McVey, followed by Ms. Houde, and then
7 7 7 Mr. Scola. So with that, I would ask that -- I
8 8 8 would -- I -- I think we're going to have three
9 9 9 separate depositions.

10 10 10 I understand that it's a 30(b)(6) notice of
11 11 11 the insurance carrier. But, obviously, the
12 12 12 people you're producing also have individual
13 13 13 knowledge that is going to be binding on them
14 14 14 individually, as well as areas that are binding
15 15 15 on the company. So I -- I think we need three
16 16 16 different --

17 17 17 MR. LANGER: I understand you're going to
18 18 18 swear each witness.

19 19 19 MR. PETTINGELL: Right.

20 20 20 MR. LANGER: But it is NAS that's been
21 21 21 noticed --

22 22 22 MR. PETTINGELL: I understand.

23 23 23 MR. LANGER: -- for this deposition. And
24 24 24 that's why we're here. I don't represent Ocean

1 Marine Insurance Agency. So I can't represent
2 that this is a deposition of Mr. McVey or Ocean
3 Marine Insurance Agency because they may want
4 to retain their own counsel and do whatever
5 they want to do.

6 MR. PETTINGELL: I understand.

7 MR. LANGER: So --

8 MR. PETTINGELL: What we're saying is,
9 there's going to be three separate --

10 MR. LANGER: There'll be three -- I
11 understand there'll be three --

12 MR. PETTINGELL: -- witnesses deposed.

13 MR. LANGER: -- three separate witnesses
14 appearing on behalf of NAS in response to the
15 notice of deposition.

16 MR. PETTINGELL: Fine.

17 MR. ABROMOVITZ: Let's go off the record
18 for one second.

19 (A brief discussion was held off the
20 record.)

21 ROBERT McVEY, a witness called
22 for examination by counsel for the Defendant,
23 Mary & Josephine Corp., his identity having
24 been stipulated to by all attorneys and duly

9

1 Q. And you understand, Mr. McVey, that you are
2 here to testify as a designate of North
3 American Insurance Company concerning certain
4 areas that have previously been identified in
5 the deposition notice?

6 A. Yes.

7 Q. Fine. And I'm going to -- well, let me ask
8 you, sir, who are you employed by?

9 A. Ocean Marine Insurance Agency.

10 Q. And, for ease of reference, can we just refer
11 to Ocean Marine Insurance Agency from this
12 point forward as OMI?

13 A. Yes.

14 Q. If I say that, you'll know who I mean and . . .

15 A. Yes.

16 Q. As a shorthand. What is -- first of all,
17 what -- what does OMI do?

18 A. OMI do is an insurance agency that procures
19 insurance mostly for commercial fishing boats.

20 Q. And where are they located?

21 A. We have our main offices in Warwick, Rhode
22 Island. We have an office in Point Judith,
23 Rhode Island. We have an office in Fairhaven,
24 Rhode Island. And we have a -- a satellite

10 sworn by the Notary Public, was examined and
2 testified as follows:

3 * * *

4 DIRECT EXAMINATION

5 BY MR. PETTINGELL:

6 MR. PETTINGELL: Off the record for a
7 second.

8 (A brief discussion was held off the
9 record.)

10 MR. PETTINGELL: I understand that
11 Mr. McVey does not have, with him, a photo ID.
12 However, he is known to us. And I think all
13 parties are prepared to stipulate that Mr.
14 McVey is who he claims to be. Is that agreed?

15 MR. ABROMOVITZ: Sure.

16 MR. LANGER: I -- I will stipulate that he
17 is Robert McVey.

18 MR. PETTINGELL: All right.

19 Q. Sir, could you please state your name?

20 A. My name is Robert McVey.

21 Q. And your business address? Well, your home
22 address, if you --

23 A. My home address is 140 Kettle Pond Drive.
24 That's in South Kingstown, Rhode Island 02879.

10

1 office in Maine.

2 Q. And, if you know, are you aware of the
3 relationship between OMI and North American
4 Insurance Company?

5 A. Vaguely.

6 MR. LANGER: Let -- let me just interject
7 at this point. He can answer. But there are
8 six very specific categories that we were
9 supposed to produce people --

10 MR. PETTINGELL: And you have.

11 MR. LANGER: -- for. They -- one of those
12 categories was not the relationship between
13 OMIA and NAS or NAS at all. It was very
14 specific, factual allegations that were set
15 forth in the Complaint. So I'll let him
16 testify, but I -- I am going to hold everybody
17 fairly closely to the areas that we're
18 designating.

19 MR. PETTINGELL: Well, off the record.

20 (A brief discussion was held off the
21 record.)

22 MR. PETTINGELL: Mr. Langer and I have had
23 a -- a discussion concerning questions that go
24 beyond the scope of the six paragraphs listed

11

1 in the 30(b)(6) deposition notice.
2 And I certainly agree that, to the extent I
3 ask a witness questions outside the area of the
4 30(b)(6) designation, that while the witness's
5 answer is going to be binding on the witness to
6 the extent that they have personal knowledge,
7 it is not North American's position that the
8 witness answer any questions beyond the scope
9 of the six paragraphs is to be a 30(b)(6)
10 designate answering those questions.

11 And, therefore, it would be North
12 American's position that's it's not binding.

13 MR. LANGER: And you agree with that?

14 MR. PETTINGELL: I agree with that, you
15 know, subject to if I ask a question where --
16 well, I agree with that.

17 MR. LANGER: Okay. And Mr. Abromovitz
18 agrees with that --

19 MR. ABROMOVITZ: Yes.

20 MR. LANGER: -- on behalf of Mr. Russo?

21 MR. PETTINGELL: Right.

22 MR. ABROMOVITZ: Yes.

23 MR. LANGER: Okay. I'd like to take a
24 quick break to talk with Mr. McVey and

13

1 MR. LANGER: -- some issues that need to be
2 addressed before we do that.

3 MR. PETTINGELL: Let's do it.
4 (Brief recess taken.)

5 BY MR. PETTINGELL:

6 MR. PETTINGELL: I'm going to ask the court
7 reporter to read back the last question and
8 answer, and we'll pick up from there.

9 (Question and Answer read back.)

10 Q. And you say "vaguely." What's -- what's your
11 loose understanding? I understand you --

12 A. The loose understanding is that --

13 MR. LANGER: Object to the form of the
14 question.

15 Q. Well, what's your understanding?

16 A. Is that they represent Sunderland in
17 Massachusetts in some form or another, which
18 I'm not that aware of.

19 Q. Okay. And by Sunderland, you mean who?

20 A. Sunderland Marine Insurance Company.

21 Q. And who are they?

22 A. They are one of the underwriters that we use to
23 insure fishing vessels.

24 Q. And by underwriter, is that analogous to

14

1 Mr. Scola and explain my position with that and
2 ask them if that's satisfactory. Then --

3 MR. PETTINGELL: Fine. And -- and I will
4 say one additional thing. To the extent that
5 we get into areas beyond the six paragraphs,
6 where I have the deponent here as a -- and --
7 and I'm asking a question that is within their
8 individual knowledge, if you, Mr. Langer, feel
9 that you would like to take a break and consult
10 with the -- with the witness -- and I
11 understand you don't represent them
12 individually; you represent North American -- I
13 have no problem with that.

14 My reason in doing this is because the
15 parties are from Rhode Island. The parties
16 have knowledge as individuals which I feel
17 is -- is germane. And I think it saves
18 everybody a lot of time to -- to deal with it
19 while they're here, as opposed to renoticing
20 the deposition and making everybody come back
21 another day.

22 MR. LANGER: I understand that. And -- and
23 I'm all for saving time. However, there are --

24 MR. PETTINGELL: But you are --

16

1 insurance -- or -- or the entity providing
2 insurance coverage --

3 A. Correct.

4 Q. -- as far as you mean?

5 A. Yes.

6 Q. Okay. Is there anybody else at -- at OMI who,
7 so far as you're aware, would have a better
8 understanding of the relationship between OMI
9 and Sunderland?

10 A. I would think, Bill Scola. He's more the
11 business manager end of it. He might have a
12 better understanding.

13 Q. Okay. Now, as I understand your testimony,
14 OMI, speaking generally, is involved in
15 procu- -- in -- I don't want to put words in
16 your mouth -- in arranging insurance for and
17 insuring fishing vessels --

18 A. Correct.

19 Q. -- providing insurance for fishing vessels? I
20 mean, I -- you tell me.

21 A. Providing insurance for fishing vessels.

22 Q. Okay. And what is your positions at OMI?

23 A. My position is a producer and co-owner.

24 Q. Co-owner I understand. What do you mean by

1 producer?
2 A. Producer means that I go out and seek out new
3 accounts and handle the existing accounts.
4 Q. When you say "go out and seek new accounts,"
5 do you mean selling insurance --
6 A. Yeah.
7 Q. -- or selling the -- the services that OMI
8 provides to owners of fishing vessels?
9 A. Correct.
10 Q. And when you say servicing the accounts, by
11 that, do you mean you're the contact man
12 between OMI and the -- the boat owners?
13 A. That's correct.
14 Q. Now, with us today as a further 30(b)(6)
15 designate for some other areas is Ms. Houde.
16 What's her position at OMI?
17 A. Ms. Houde is the liaison between the producers.
18 She wears many hats. But one of them is, she
19 handles the paperwork and sometimes the direct
20 dialogue from what I want done with a boat to
21 the various insurance companies that we use.
22 Q. So -- and we're speaking generally. You talk
23 to the boat owner and discuss the nature of the
24 insurance that the boat owner wants?

17

1 A. Yes.
2 Q. And would you take care of such changes, or
3 would you refer that to Ms. Houde?
4 A. I would consult with Ms. Houde.
5 Q. Would there be occasions where you would refer
6 the boat owner directly to her?
7 A. Yes.
8 Q. Okay. Now, talking -- talking generally, back
9 in the -- back in the period 2001, 2002, 2003,
10 was the procedure that OMI used to deal with
11 fishermen who wanted insurance, essentially,
12 the same throughout those years?
13 A. Pretty much.
14 Q. And you've indicated you're a producer. So if
15 we were to take a -- a hypothetical boat owner,
16 could you walk me through how -- how the
17 process works?
18 MR. LANGER: Object to the form of the
19 question. You can answer.
20 A. If we have a phone call or -- or a referral,
21 and somebody's looking for insurance on their
22 boat, I usually make arrangements to meet the
23 person.
24 Q. All right. Would the call come in to you?

19

1 A. That's correct.
2 Q. And then you talk to Ms. Houde?
3 A. Correct.
4 Q. And Ms. Houde is the one that has the contact
5 with the insurance carriers or the
6 underwriters?
7 A. Sometimes.
8 Q. Do you have that direct contact?
9 A. Yes.
10 Q. And in terms of -- all right. What -- does
11 Ms. Houde ever have direct contact with the --
12 with the boat owners?
13 A. Yes.
14 Q. What -- what -- what occasions would -- would
15 involve her having such contact?
16 A. If a person, a particular fisherman, wants to
17 make a change in his policy -- for instance, he
18 wants to add or subtract one of his crew -- he
19 probably would call Lynn.
20 Q. So your contact would be at the beginning of
21 the issuance of a policy?
22 A. Yes. And all the way through.
23 Q. Would a boat owner ever call you about
24 changing -- changes in the policy?

18

1 A. Sometimes.
2 Q. But whoever the call came in to, it would be
3 referred to you; is that correct?
4 A. Well, it could be referred to one of the other
5 agents. But it -- it could be referred to me.
6 Q. Are there other people that do what you do at
7 OMI?
8 A. Yes.
9 Q. Let's assume it's referred to you. Fair
10 enough?
11 A. Right.
12 Q. What's the next step in the process?
13 A. The next step is, usually, I contact the
14 person, find out what their insurance needs
15 are, ask them questions about the boat, such as
16 the age, claims record. I do this over the
17 phone.
18 Q. Uh-huh.
19 A. And if it looks like it's a -- a viable or
20 potential client that we're interested in, I
21 make arrangements to meet him in person at the
22 boat usually.
23 Q. Uh-huh. Do you examine the boat?
24 A. Yes.

20

1 Q. And your examination of the boat, is this a --
2 a detailed survey of the -- are you familiar
3 with the term "survey"?
4 A. Yes.
5 Q. Is this -- and -- and what's your understanding
6 of the -- of the word "marine survey" of a --
7 of a fishing vessel?
8 A. A marine surveyor is --
9 Q. No. A marine survey --
10 A. A marine --
11 Q. -- not surveyor.
12 A. -- survey --
13 Q. Yes.
14 A. -- is a detailed analysis of the boat: the
15 hull, the systems, the engine, the condition,
16 evaluation, et cetera.
17 Q. All right. And at the time that you meet with
18 the prospective client at the boat, do you
19 yourself conduct such a survey or inspection of
20 the vessel?
21 A. No.
22 Q. You just generally look at it to see the
23 condition?
24 A. Correct.

21

1 lumper's insurance, does he need machinery
2 coverage, age of the vessel, et cetera.
3 Q. Now, you've used some terms; and we all know
4 what they mean. But to establish the record,
5 you used the term "navigation limits." What do
6 you mean by that?
7 A. How far offshore he's going to fish as -- as to
8 where he's going to go.
9 Q. So this would be the area where the boat would
10 be operating?
11 A. Correct.
12 Q. And am I correct that this would be the area,
13 assuming you provide insurance, for which the
14 vessel would be insured?
15 A. Correct.
16 Q. And if the boat goes over to the West Coast and
17 that's not the area that you insured him for,
18 then that would be beyond the navigational
19 limits?
20 A. That would be correct.
21 Q. All right. You mentioned hull insurance. What
22 do you mean by that?
23 A. That's the vessel itself, how much he needs for
24 the actual vessel if -- if something happened,

23

1 Q. And you talk to the owner concerning what?
2 A. Concerning what his needs are as far as
3 insuring his vessel, such as hull value,
4 navigation, claims record.
5 Q. All right. And assuming -- I take it, this is
6 a -- this is a process by which you make a
7 decision at that point whether you want to
8 continue to go forward or -- or not?
9 A. Yeah. It could be.
10 Q. Assuming you decide that this is someone that
11 you'd like to do business with, what's the next
12 step?
13 A. I usually give the person an application, have
14 him fill it out, mail it to me or -- or bring
15 it to the office. And I usually instruct him,
16 if he has any questions while he's filling it
17 out, to call me.
18 Q. Okay. And what sort of things are on the
19 application form?
20 A. Corporation name, experience of the owner or
21 captain, navigation limits, how many crew
22 complement, how much P&I insurance he wants for
23 the crew, how much hull insurance he wants,
24 does he want pollution insurance, does he want

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1 as far as total loss --
2 Q. All right.
3 A. -- what he would need to replace it or what he
4 thinks the value -- market value is.
5 Q. And how about P&I insurance?
6 A. P&I insurance covers the crew individually for
7 injuries, accidents.
8 Q. Does it provide any -- any coverage of any
9 other sort other than for the crew?
10 A. It also covers vessel P&I.
11 Q. You're using a term "P&I." What do you mean by
12 that?
13 A. Protection and indemnity.
14 Q. All right. And what sort of coverage -- your
15 understanding, what sort of coverage is that?
16 A. It would cover, I would say, third-party
17 liability if he hit another vessel or hit a
18 dock or -- other than a crewman being injured.
19 Q. So if somebody were to step on the boat with
20 permission and -- and injure themselves and
21 brought a lawsuit against the vessel, that
22 would be covered by the P&I?
23 MR. LANGER: Object--
24 A. Probably.

24

1 MR. LANGER: Objection to the form. Basis.
2 Q. And the application would indicate how much P&I
3 coverage the owner wanted?
4 A. Correct.
5 Q. Once you've got the application back, filled
6 out, what's the next step in the process?
7 A. The next step is, we will look it over in the
8 office to see --
9 Q. Who's "we"?

10 A. -- if it's -- myself, maybe Bill or maybe me
11 and Frank or Chris or -- or maybe myself and
12 Lynn -- to make sure it's filled out properly.
13 Q. And by Bill, you mean Mr. Scola?
14 A. Mr. Scola.
15 Q. By Frank, you mean Frank Ostro?
16 A. Mr. Ostro.
17 Q. All right. What's Mr. -- what's your
18 understanding of Mr. Scola's position in the
19 com -- in OMI?
20 A. Mr. Scola's position is, basically, the, I
21 would say, office manager or CFO, producer.
22 He's also a salesman.
23 Q. Okay. And what sort of discussion would be
24 involved in reviewing an application? And,

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1 insurance carriers.
2 Q. And how does that work?
3 A. That usually works by faxing them or e-mailing
4 them the application, usually followed through
5 by a phone call to discuss it in a little more
6 detail verbally.
7 Q. Now, who in the office would be the person
8 tasked with submitting the application to
9 the -- to the underwriter? Or is that you?
10 A. That would be Ms. Houde. There's several other
11 people that do it. But, myself personally, it
12 would be Ms. Houde.
13 Q. And by your answer, do I understand that, at
14 any given time, OMI has more than one insurance
15 underwriter that it would submit a -- a vessel
16 for consideration to?
17 A. Yes.
18 Q. Once the -- and, again, I don't want to put --
19 I don't want to put words in your mouth. If
20 you disagree with my characterization, you
21 know, please let us know. But I take it that
22 you would submit an application with a
23 recommendation that the particular underwriter
24 that you're submitting it to consider providing

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1 again, we're talking general.
2 A. We might discuss the size of the boat and the
3 navigation area, how far offshore he wants to
4 go. We might discuss that the boat may be too
5 small for the distance the guy wants to go
6 fishing.
7 We might discuss -- for instance, if he
8 wanted to insure the boat for a half a million
9 and he only wanted 250,000 on the crew, we
10 might discuss that, thinking he's not covered
11 enough. We might discuss his past claims
12 history. We might discuss what port he fishes
13 out of.
14 Q. What's the significance of the port that he
15 fishes out of?
16 A. Some ports have a tendency to be more
17 problematic getting crew complements.
18 Q. Okay. Assuming that, after this discussion
19 that takes place internally at OMI, a decision
20 is made that this is a boat that OMI would like
21 to provide insurance for, what's the next step
22 in the process?
23 A. The next step, if we feel that it's worthy
24 to -- to submit, we submit it to one of the

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1 insurance?
2 A. That's correct.
3 Q. And once the recommendation is submitted,
4 what's the next step in the process?
5 A. Like I said, they receive the application. The
6 underwriter looks it over. They might have
7 some questions regarding certain facets of the
8 application. They might call us. Usually,
9 within 48 hours, they send us back
10 a affirmative or a negative as far as their
11 participation in insuring the vessel.
12 Q. If they were to say no, do you then try one of
13 the other underwriters that you're -- OMI is
14 dealing with?
15 A. Possibly.
16 Q. If they say yes, what's the next step?
17 A. The next step? Usually, when they say yes,
18 they give us a quote or a price as to how much
19 their end of the insurance is going to cost.
20 We also have many other facets that have to be
21 factored in to get the guy a quote on a full
22 premium. Once we procure that, then I'll make
23 contact with the owner.
24 Q. Well, let's stop there. If I understand what

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1 you're saying, you submit an application with a
2 recommendation to an underwriter. And, again,
3 by the term "underwriter," you mean what
4 would -- people would generally refer to as an
5 insurance company?

6 A. Correct.

7 Q. And you get a response back saying yes; we're
8 prepared to provide the coverage that is
9 requested for a premium of X dollars --

10 A. Uh-huh. Yes.

11 Q. -- is that right? You then take that
12 information, and -- and you do something in
13 addition before you go to the -- to the owner
14 of the vessel --

15 A. Correct.

16 Q. -- with a quote? What is -- what is done
17 internally at OMI before the quote -- before a
18 quote is presented to the owner?

19 A. We also have to find out how much other
20 insurance he needs as far as -- the insurance
21 company, primary insurance company, usually
22 only insures the first 250,000. If he wants
23 more than that --

24 Q. Are we talking hull insurance? P&I insurance?

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1 we'll provide the first \$250,000 of P&I for X
2 dollars.

3 And then you would go to Lloyd's and -- and
4 procure an additional 750,000 P&I coverage?

5 A. Correct.

6 Q. And you would find out how much that was going
7 to cost?

8 A. Correct.

9 Q. And add that on?

10 A. Correct.

11 Q. Factor that in? And if the insured, in
12 addition, wanted pollution coverage, oil
13 pollution coverage, would you go to a -- a
14 different underwriter for that?

15 A. Yes.

16 Q. And that would get added on?

17 A. Yes.

18 Q. So this is the process that you mean?

19 A. Yes.

20 Q. And then, once you got a bottom-line figure,
21 that would be submitted to the owner?

22 A. Correct.

23 Q. And at that point, if the owner felt it was too
24 much, the owner could back away and go look

31

1 A. We're talking P&I insurance at this time.

2 Q. Okay.

3 A. So if he wants more than the primary they're
4 willing to give them, which is usually 250,000,
5 we have to go through Lloyd's of London, one of
6 the companies there, one of the brokers.

7 Q. And that's to get additional insurance up to
8 whatever limit the owner is looking for?

9 A. Correct.

10 Q. So you get another quote from underwriters at
11 Lloyd's as to how much they would charge to
12 provide the additional insurance?

13 A. That's correct.

14 Q. How about the hull coverage?

15 A. The hull coverage, usually, the primary
16 companies, 99 percent of the time, will do the
17 full hull coverage.

18 Q. All right. So if a boat owner wanted to insure
19 his vessel for \$750,000 and that was deemed to
20 be an appropriate valuation on the boat for the
21 hull, and he wanted a million dollars P&I
22 coverage, your first submission to an
23 underwriter would come back, typically, Okay.
24 We'll insure the -- the hull for 750,000; and

30

1 elsewhere?

2 A. Absolutely.

3 Q. Sometimes, that happens?

4 A. Unfortunately.

5 Q. And, sometimes, it doesn't happen?

6 A. That's good.

7 Q. Let's assume the owner -- you go with a quote
8 to the owner. And the owner says that's too
9 high; but, okay, I'll pay it. And you've got
10 an agreement. What happens next in the process
11 of getting insurance for this boat?

12 A. Well, first, we have to find out when he wants
13 to make the purchase. Sometimes, there's bank
14 involvement. And once we have everything
15 order -- in order on our end, we just wait for
16 him to give us a date. And we get everything
17 organized, and we take care of it on that
18 particular date he wants it.

19 Q. All right. And are you the one that is,
20 essentially, the contact at OMI with the owner
21 throughout this process?

22 A. Most of the time.

23 Q. And if it isn't you, it's Ms. Houde?

24 A. It could be Ms. Houde. Or if -- I could be out

32

1 or whatever. It could be one of the other
2 partners.
3 Q. All right. Once the boat owner has agreed to
4 pay the -- has agreed to the size of the
5 premium and a date when coverage is to commence
6 has been agreed upon, what happens next from
7 your end, OMI -- OMI's end?
8 A. We arrange financing. Sometimes, that has to
9 be done. And, usually, if there's a bank
10 involved, we'll deal with the bank on the day
11 of the closing and provide him with the
12 necessary documents to satisfy the bank that
13 he's insured.
14 Q. Okay. And how, physically, is that done?
15 A. Physically? Such as?
16 Q. Paperwork.
17 A. Usually, it's done by e-mail or fax.
18 Q. And is there something called a binder that's
19 issued?
20 A. Yes.
21 Q. And what's a -- are you familiar with the term
22 "binder"?

23 A. Yes.
24 Q. And what's a binder?

33

1 And we've used the term "Sunderland." Are you
2 aware of a -- of a relationship between
3 Sunderland and North American Specialty
4 Insurance Company?
5 A. Yes.
6 MR. LANGER: Objection. Foundation.
7 Q. And what's your understanding of that
8 awareness? No. What's your understanding of
9 that relationship?
10 A. It's, like I -- I said earlier, it's -- it's a
11 vague understanding that Sunderland uses them
12 for whatever reasons --
13 Q. All right.
14 A. -- their reasons. I really don't know.
15 Q. Fine. Do you ever go directly to North
16 American Specialty, or do you go through
17 Sunderland?
18 A. I go through Sunderland.
19 Q. You are aware that -- strike that. On
20 occasion, OMI has issued coverage to boat
21 owners where North American Specialty Insurance
22 Company is providing the coverage?
23 A. I'm not sure about that. No.
24 Q. Okay. Where you have a -- a new vessel that

35

1 A. A binder is, basically, a document that -- from
2 the insurance company that shows coverages,
3 specific coverages, on this particular date
4 that it's issued.
5 Q. And who -- who issues the binder? Does that
6 come directly from the underwriter? Or is that
7 something that comes from OMI?
8 A. That comes from OMI.
9 Q. And I take it, at some point later on, the
10 policy itself would be issued?
11 A. Correct.
12 Q. And where does the policy come from? The
13 underwriter or OMI?
14 A. O -- OMI.
15 Q. I take it, OMI has an understanding of the
16 policy terms and provisions that a specific
17 underwriter that it's dealing with requires?
18 A. Correct.
19 Q. And so that -- well, let's -- let's say, is
20 Sunderland one of the underwriters that OMI
21 would deal with?
22 A. Yes.
23 Q. Let me stop. The plaintiff in this case is
24 North American Specialty Insurance Company.

34

1 you're providing insurance for for the first
2 time, does OMI always issue a binder?
3 A. I believe, most of the time.
4 Q. And when in relation to the date when coverage
5 is supposed to begin does the binder get sent
6 to the -- to the boat owner?
7 A. Usually, the day of when the coverage is
8 needed.
9 Q. All right. Are you involved yourself in --
10 in -- in the issuance of the binders?
11 A. Not very often.
12 Q. Who -- who at OMI would be the one who would do
13 that?
14 A. With my particular business, it would probably
15 be Ms. Houde.
16 Q. Okay. Excuse me. And, again, I want to
17 stress, if I'm asking -- you know, if I get
18 into an area where you think Ms. Houde would be
19 really the -- the one that should answer it,
20 you know, don't hesitate to -- to let us know
21 that.
22 A. I won't.
23 Q. Normally -- you know, we're talking generally
24 during the period from 2001 to 2003 -- how long

36

37

- 1 after the initial binder is issued would the --
 2 the policy itself be issued?
- 3 A. It depends on which insurance company we're
 4 dealing with. Usually, within two weeks.
- 5 Q. Why does it take -- why does it take two weeks
 6 or more?
- 7 A. Well, in Sunderland's particular case, it's
 8 Europe. There's many facets of the policy, as
 9 I suggested earlier, that have to be all
 10 brought together.
- 11 Q. Uh-huh.
- 12 A. And by the time it makes its way from one
 13 company or another to our office and we
 14 formulate the package, it -- it takes a little
 15 bit of time.
- 16 Q. When you say "it makes its way," what makes its
 17 way?
- 18 A. The different binders from -- from different
 19 companies.
- 20 Q. All right. So we have a situation where you've
 21 got hull coverage and primary P&I coverage and
 22 excess P&I coverage and pollution coverage.
 23 You're getting binders -- OMI is getting
 24 binders in from the different companies or

- 1 Q. Uh-huh. How about with respect to hull and
 2 P&I?
- 3 A. Occasionally, we might have an input as to
 4 suggest different prices.
- 5 Q. And what's that based on?
- 6 A. That's based on if a particular boat owner has
 7 a great track record and it's a new boat and he
 8 may be -- might be having another boat being
 9 built for the future. So we might give him
 10 a -- a -- a consideration that we wouldn't give
 11 somebody that had an older boat.
- 12 Q. And you're looking to, potentially, get the new
 13 boat too?
- 14 A. Correct.
- 15 Q. Well, you're in business. Right?
- 16 A. I would hope so.
- 17 Q. Okay. You say you have a recommendation.
 18 That's a recommendation that goes to the
 19 underwriter?
- 20 A. A recommendation on what?
- 21 Q. As to premium, giving them the credit or
 22 something, a break.
- 23 A. Yeah. Yes.
- 24 Q. But I get the sense from your answer that,

38

- 1 underwriters providing that coverage?
- 2 A. That's correct.
- 3 Q. Prior to the issuance of the binders from the
 4 underwriters and companies to OMI, I take it,
 5 you have already received some sort of written
 6 confirmation that they are going to accept the
 7 coverage?
- 8 A. Yes.
- 9 Q. And it's based upon that fax or e-mail that
 10 you -- OMI relies upon in issuing its own
 11 binder?
- 12 A. Yes.
- 13 Q. And then, once you get the additional -- once
 14 you get the formal binders from the
 15 underwriters, then you put together the policy
 16 forms and issue a policy, again, you being OMI?
- 17 A. That's correct.
- 18 Q. Okay. Who calculates, to your understanding,
 19 the premium to be charged for the various
 20 coverages?
- 21 A. Well, most of them are -- are set, like the
 22 pollution, the Lloyd's policies. Sometimes,
 23 there's potential negotiating on our behalf
 24 with the primary companies occasionally.

- 1 essentially, the premium is -- the ultimate say
 2 on the premium is set by the underwriter?
- 3 A. Most of the time, yes.
- 4 Q. Okay. Now, I think you testified earlier that
 5 there were occasions when a boat owner would
 6 want to make changes in his coverage, such as
 7 changing the size of the crew; is -- is that
 8 correct?
- 9 A. Yes.
- 10 Q. And how does the size of a vessel's crew affect
 11 the P&I coverage? Because that's what we're
 12 talking about; is that correct?
- 13 A. Correct.
- 14 Q. Okay. How was -- how does the size of a
 15 vessel's crew affect the P&I coverage afforded
 16 to the vessel?
- 17 A. The premium is based on a per-man coverage.
 18 Obviously, if there's three men, there's more
 19 risks than two men. So we charge them on a
 20 per-man basis.
- 21 Q. So if a vessel owner has initially obtained
 22 coverage for two men and decides to go to six
 23 men and notifies you that he wants to do that,
 24 that's going to result in an increase in

39

41

- 1 premium?
- 2 A. That's correct.
- 3 Q. And who -- and, similarly, if he's fishing with
- 4 six men and wants to go down to two men, you're
- 5 going to get a decrease in premium?
- 6 A. That's correct.
- 7 Q. Who computes the difference in the premium?
- 8 A. That would probably be Ms. Houde.
- 9 Q. All right. Who would the request to make the
- 10 change in crew size, for example, normally go
- 11 to?
- 12 A. It would normally go to myself or Ms. Houde.
- 13 Q. A phone call could come in to either of you?
- 14 A. Correct.
- 15 Q. If the phone call came in to you, is that
- 16 something you would handle? Or is it something
- 17 you would normally refer the boat owner to
- 18 Ms. Houde?
- 19 A. I would handle it in conjunction with Ms. Houde.
- 20 Q. What do you mean by that, "in conjunction
- 21 with"?
- 22 A. Like, I'd go in and meet with her on several
- 23 times a week; and we discussed what's -- what
- 24 the situations are for each given day or week

42

- 1 or -- and we'll discuss changes. And --
- 2 Q. All right.
- 3 A. -- she'll deal with them accordingly.
- 4 Q. Okay. And with respect to a change, again,
- 5 let's say, in crew size, I take it, at some
- 6 point, the underwriter would have to be
- 7 informed of that?
- 8 A. That's correct.
- 9 Q. Is that something you would do? Or is it
- 10 something Ms. Houde would do?
- 11 A. It would probably be more Ms. Houde.
- 12 Q. So -- well, do you ever -- are you ever the one
- 13 that would be involved directly with the
- 14 underwriter on that?
- 15 A. Occasionally.
- 16 Q. Is that a question -- questions concerning that
- 17 that would be better left for Ms. Houde?
- 18 A. Yes.
- 19 Q. Okay. How does the process differ that you've
- 20 just described in terms of the placement of the
- 21 coverage, putting -- I'm not talking changes,
- 22 but just the initial placement of coverage.
- 23 When a policy is coming up for renewal, are
- 24 there any differences?

43

- 1 A. Such as? I don't really understand the
- 2 question.
- 3 Q. Yeah. It was a horrible question. As a
- 4 producer, you've explained, I think, pretty
- 5 well your role when a -- a new -- a boat owner
- 6 comes to you, a new boat that you're not -- you
- 7 haven't been dealing with before, looking for
- 8 insurance. I take it, insurance is provided
- 9 for, typically, for a 12-month period?
- 10 A. Yes.
- 11 Q. And at the end of that 12-month period, the
- 12 initial policy expires?
- 13 A. Correct.
- 14 Q. How -- how are things handled in terms of
- 15 providing insurance in Year 2?
- 16 A. Again, we usually hear from the insurance
- 17 company a month before the renewal. And they
- 18 might suggest a rate increase or decrease,
- 19 depending on the hist- -- claims history of the
- 20 particular vessel or the market conditions of
- 21 the insurance in general. And, usually, within
- 22 a month before the policy, we send out the new
- 23 renewal quote to a prospective boat owner.
- 24 Q. Okay. And who sends that? You or Ms. Houde?

44

- 1 A. Ms. Houde.
- 2 Q. All right. And is that something to the -- to
- 3 the effect, okay, this year, to get you the
- 4 same coverage, it's going to cost you the same;
- 5 it's going to go up; it's going to go down?
- 6 It's a quote?
- 7 A. Yeah. Yes.
- 8 Q. And then, you hear from the owner -- does
- 9 somebody contact the owner?
- 10 A. We usually contact the owner.
- 11 Q. And what's the purpose of that contact?
- 12 A. To find out if he has any changes, if the
- 13 situation is still the same as it was going
- 14 forward as last year, and just kind of touch
- 15 base and give him a little personal touch
- 16 sometimes.
- 17 Q. Okay. And the owner agrees to pay the -- the
- 18 quote. And, I take it, if there's any changes,
- 19 that is then submitted to the underwriters for
- 20 consideration, pretty much the same process
- 21 that you've already described?
- 22 A. Correct.
- 23 Q. And if there are no changes and the owner
- 24 agrees to pay the premium for the -- for the

1 next year, is that communicated to the
2 underwriter?
3 A. Yes.
4 Q. And then binders are -- are issued. Is a
5 binder issued in that situation or just a new
6 policy?
7 A. A -- a binder is issued.
8 Q. And then a renewal policy?
9 A. Usually, it's the same policy unless there's
10 changes.
11 Q. Is new paper -- a new policy sent or -- when
12 you say, "it's the same policy" --
13 A. I don't believe we send a new policy. I think
14 we just send a binder if there's no coverage
15 changes.
16 Q. Who would be involved in doing that at OMI?
17 A. Probably, Ms. Houde.
18 Q. All right. Now, on the occasions where changes
19 to a policy occur, is anything sent to the boat
20 owner reflecting the changes?
21 A. It depends upon when they're made.
22 Q. Can you explain what you mean by that?
23 A. Well, do you mean at renewal or mid- --
24 mid-term policy or . . .

45

1 change such as the size of the crew? And,
2 again, if this is an area that you'd like to
3 have somebody --
4 A. No.
5 Q. -- else --
6 A. It's --
7 Q. -- deal with --
8 A. -- it's -- it's -- it's -- it's endorsed at the
9 end of the policy year.
10 Q. Well, you have to explain what you mean by
11 that.
12 A. In other words, if somebody calls up -- we have
13 a lot of people calling up that want to add a
14 man or drop a man. If they want to delete
15 several crewmen -- they might want to go
16 scalloping for a month and then go back to
17 dragging.
18 Q. Uh-huh.
19 A. And, usually, what we do is, we don't calculate
20 that till the end of the policy year because
21 they could be calling us every two weeks or
22 every other week. So we, usually, make a note
23 of it; and we audit it at the renewal policy.
24 We usually contact the client, and he tells us

47

1 Q. Let's say -- let's say, mid-term policy. Let's
2 say -- and, again, we're talking, generally,
3 hypothetical. The boat owner decides to change
4 the size of the crew. He's fishing with five
5 men, and he wants to change to two men. The
6 boat owner calls you and -- and says, Mr. McVey,
7 I decided I want to cut back the size of my
8 crew to two.
9 As I understand your testimony, you would
10 then sit down with Ms. Houde and discuss this,
11 would figure out a -- how much of a reduction
12 in premium would be required. But would any
13 paper go out to the insured reflecting that
14 such a change in the policy had been made?
15 A. No.
16 Q. Have you ever heard of the term "endorsement"?
17 A. Yes.
18 Q. What's your understanding of an endorsement?
19 A. An endorsement could be a paper issued on a new
20 facet of the policy that he didn't have or
21 something that he wanted to change.
22 Q. And would an endorsement be issued if -- well,
23 strike that. Is it your understanding that an
24 endorsement would not be issued to reflect a

46

1 what the boat did and didn't do. And then we
2 calculate if he has a return premium coming
3 back.
4 Q. And that would be at the end of the policy
5 period?
6 A. Yes.
7 Q. And at that point, would an endorsement issue
8 to reflect the changes that had been made?
9 A. Possibly.
10 Q. Not always?
11 MR. LANGER: Objection --
12 A. Not always.
13 MR. LANGER: -- to the form the question.
14 Q. I'm sorry?
15 MR. LANGER: I object --
16 MR. PETTINGELL: No. I heard the
17 objection. I didn't hear the answer.
18 Q. Not always? I just didn't hear the answer.
19 MR. PETTINGELL: Just a second. Did the
20 court reporter hear the answer?
21 COURT REPORTER: Yes. He said "not
22 always."
23 Q. Not always. Okay. You're -- now, I'll ask a
24 new question. Your answer, "not always,"

48

1 suggests that, on occasion, endorsements are
 2 issued after the policy period?
 3 A. You mean, at the end of the policy --
 4 Q. At the end of the policy period, to reflect
 5 changes made during the --
 6 A. Sometimes.
 7 Q. -- prior year. Sometimes, that does happen;
 8 and, sometimes, it doesn't?
 9 A. Yes.
 10 Q. What would trigger such an endorsement being
 11 issued after the fact as opposed to not being
 12 issued after the fact?
 13 A. Well, again, there's many facets of OMI. We
 14 have a small boat program that we underwrite
 15 in-house. That probably wouldn't be. Where, a
 16 larger boat, there might be one issued. So I
 17 mean, we -- we do a lot of different types of
 18 business. So . . .
 19 Q. Who would make the determination as to whether
 20 or not an endorsement should be sent to the
 21 insured?
 22 A. Probably, Ms. Houde.
 23 Q. All right. Are there occasions when
 24 endorsements are issued by OMI during the

49

1 determination?
 2 A. It -- it could be. Yeah.
 3 Q. Or it could be yours?
 4 A. Yes. It could be mine. It could be somebody
 5 else's.
 6 Q. All right. Who other than you would make such
 7 a determination that a poli -- that an
 8 endorsement reflecting a policy change should
 9 issue during the policy term?
 10 A. It could be myself and Mr. Scola or myself and
 11 Mr. Ostro or myself and Mr. Burma or all four
 12 of us.
 13 Q. How about with respect to North American
 14 Specialty Insurance Company paper, who would
 15 make such a determination?
 16 A. I have no idea.
 17 Q. It wouldn't be your determination that a -- an
 18 endorsement should issue if it were a policy
 19 issued through Sunderland?
 20 A. In -- in -- regarding North American Specialty?
 21 Q. Well --
 22 A. I don't follow you.
 23 Q. We've been talking generally up to this point.
 24 A. Uh-huh.

50

1 policy period?
 2 A. Occasionally. Possibly.
 3 Q. And who would make the determination as to
 4 whether an endorsement should be issued during
 5 the policy period?
 6 A. It would depend on who the agent was and what
 7 the circumstances were.
 8 Q. Well, when you say the word "agent," who are
 9 you referring to?
 10 A. I'm referring to myself, Chris Burma, Frank
 11 Ostro, or Bill Scola.
 12 Q. And by agent, is that synonymous with the --
 13 the term you used earlier, "producer"?
 14 A. Yes.
 15 Q. By agent, you mean the -- the person at OMI who
 16 has the contact with the owner of the boat?
 17 A. Correct.
 18 Q. So, for example, if you were dealing with a
 19 boat owner, it would be your determination as
 20 to whether or not an endorsement reflecting a
 21 change in the policy should be issued during
 22 the policy year?
 23 A. Perhaps.
 24 Q. Perhaps. You mean, it might be somebody else's

51

1 Q. You're aware, that in this particular
 2 litigation which has led to your being here
 3 today, that Mary & Josephine Corporation had a
 4 hull and P&I policy issued ultimately from
 5 North American Specialty Insurance Company; is
 6 that correct?
 7 A. That's correct.
 8 Q. All right. And if I understand, OMI's dealings
 9 to obtain that policy from North American
 10 Specialty Insurance Company was done through
 11 Sunderland; is that right?
 12 MR. LANGER: Objection.
 13 A. That's right.
 14 Q. And when we say "Sunderland," who -- is
 15 there -- what's the complete name of that
 16 entity?
 17 A. Sunderland Marine Insurance Company or Agency.
 18 Q. All right. And they're located where?
 19 A. In Sunderland, England.
 20 Q. And, again, specifically with regard to Mary &
 21 Josephine Corp., am I correct that OMI
 22 requested coverage through Sunderland; and,
 23 ultimately, the binders came back that it would
 24 be North American Specialty Insurance Company

52

1 that was providing the coverage?

2 A. Yes.

3 Q. All right. With regards to coverage issued by

4 North American Specialty Insurance Company, who

5 at OMI, if anybody, would make the

6 determination as to whether or not a change in

7 the policy coverage would have an endorsement

8 issued during the policy year?

9 A. It depends on the circumstances.

10 Q. Well, would you ever make such a determination?

11 A. Yeah.

12 Q. What circumstances would lead you to make such

13 a determination?

14 A. If a -- a potential example or a possible

15 example, if somebody was selling their boat,

16 the boat was not going to be fished for six

17 months waiting for the sale to transpire, we

18 might specifically endorse that as a port risk

19 policy. Or if he's having work done to the

20 vessel, it might be endorsed as a builder's

21 risk policy.

22 Q. Okay. Would there be any other reason that

23 you're aware of that would cause an endorsement

24 reflecting a change in the policy provisions to

53

1 the various underwriters that there be an

2 annual marine survey of the condition of the

3 vessel?

4 A. Usually.

5 Q. And, quite often, as a result of such a survey,

6 the surveyor, the person conducting the

7 inspection of the vessel, will come up with or

8 may come up with several recommendations that

9 the surveyor feels changes -- if I -- if I

10 can -- that should be made in the boat in order

11 to make the boat safer?

12 A. Yes.

13 MR. LANGER: Objection.

14 Q. And those surveyors' recommendations, as a

15 condition for obtaining coverage, have to be

16 complied with, don't they?

17 A. Correct.

18 MR. LANGER: Objection.

19 MR. PETTINGELL: The basis of the

20 objection?

21 MR. LANGER: Well, there are many different

22 circumstances as to whether a recommendation

23 may or may not be tied to coverage. You're

24 assuming that every recommendation is tied to

54

1 be issued during the policy period?

2 A. There -- there could be several reasons.

3 Q. Want to tell me?

4 A. Well, I just told you a couple of them. Most

5 of the time, if a boat's active, like I said,

6 we don't do endorsements until the end of the

7 policy period.

8 Q. All right. You indicated a term "port risk."

9 And I understand Mr. Scola's here to bind the

10 plaintiff in this case as to the understanding

11 of North American Specialty Insurance Company

12 as to the meaning of that term. What's your

13 understanding of the term "port risk"?

14 MR. LANGER: Objection to the form of the

15 question and foundation. Seeks a legal

16 conclusion. But go ahead. You can answer.

17 Q. Well, you've used the -- you've used the term.

18 What did you mean by port risk?

19 A. My understanding of port risk is a vessel that

20 is tied to the dock, no crew involvement, not

21 fishing, not being worked on, just sitting

22 there idle at the dock.

23 Q. Okay. As part of the process of getting

24 insurance for a boat, is there a requirement by

55

1 coverage. So I objected.

2 MR. PETTINGELL: Okay.

3 Q. And, in fact, you've had occasions where you've

4 had to tell boat owners, if you don't get the

5 recommendations taken care of, you're going to

6 lose your coverage?

7 A. That happens occasionally.

8 Q. All right. So it's -- would you agree it's not

9 unusual to have a boat have to effect some

10 repairs in order to satisfy the conditions of

11 coverage?

12 MR. LANGER: Objection.

13 A. That's not unusual.

14 Q. If a boat were tied up to the dock for an

15 extended period of time -- let's say a month --

16 while a surveyor's recommendations were being

17 taken care of, whatever the repairs that the

18 surveyor wanted in order to satisfy the

19 underwriter's requirements, would that be

20 something that the boat owner could obtain port

21 risk coverage for?

22 MR. LANGER: Objection. Foundation. Form

23 of the question.

24 A. No.

1 Q. It's your opinion that, even though the boat
2 wasn't fishing or doing anything like that, the
3 boat owner would, if he had been working on the
4 boat, would have to have full operational
5 coverage?

6 A. Correct.

7 Q. Is it your understanding that there is no --
8 well, strike that. Based upon your
9 understanding of port risk coverage, when a
10 boat is on port risk, can a boat also have P&I
11 coverage?

12 MR. LANGER: Objection to form and
13 foundation of the question.

14 A. It wouldn't have crew P&I. It might have
15 vessel P&I.

16 Q. What's -- what's the distinction, in your mind,
17 between crew P&I and vessel P&I?

18 A. Crew P&I is specifically covering a crewman for
19 injury, where port risk, there's not supposed
20 to be any crew on the boat. Vessel P&I is more
21 like general liability.

22 Q. So it's your understanding that if a boat is on
23 port risk, it automatically loses coverage for
24 the crew?

57

1 A. Yes.

2 Q. And who's Mr. Russo --

3 A. He is --

4 Q. -- your understanding?

5 A. -- the contact that I dealt with with the Mary
6 & Josephine, captain, manager.

7 Q. And as a result of the call the -- you got from
8 Mr. Russo, what did you do?

9 A. I took a ride to Gloucester and met him, had
10 lunch with him.

11 Q. Uh-huh. And what did you discuss with him?

12 A. We discussed his past history, his insurance
13 needs, and the basic state of the fisheries
14 and . . .

15 Q. Looked at the boat?

16 A. Yeah. Looked at the boat.

17 Q. And based upon that, did you form a -- an
18 opinion as to whether or not the Mary &
19 Josephine was a boat that OMI might be
20 interested in getting insurance for?

21 A. Yes.

22 Q. And what steps did you do to bring that about?
23 A. I left, with him, an application with
24 instructions how to fill it out, told him, if

58

1 MR. LANGER: Objection.

2 A. Correct.

3 Q. Have you ever heard of a boat being on port
4 risk coverage that did have coverage for the
5 crew?

6 A. No.

7 Q. Okay.

8 MR. PETTINGELL: Can we take a break?

9 (Brief recess taken.)

10 BY MR. PETTINGELL:

11 Q. All right. Up to this point, Mr. McVey, we've
12 been talking generally. I'd like to now focus
13 more specifically on Mary & Josephine Corp.
14 with regard to the fishing vessel "Mary &
15 Josephine." Now, did there come a time when
16 you personally were involved in placing
17 coverage on the Mary & Josephine?

18 A. Yes.

19 Q. And do you remember when that was?

20 A. I believe it was in 2001.

21 Q. And what was -- how did that come about?

22 A. I had a call from Matt Russo, inquiring as to
23 his procurement of insurance from OMI.

24 Q. He called you?

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1 he had any problems or questions, to call me.
2 That's -- then he sent us the application.

3 Q. Do you have the -- do you have a copy of the
4 application here with you today?

5 A. I believe so.

6 Q. I wonder if you could pull it out, please.

7 MR. LANGER: Do you have it with you?

8 THE WITNESS: I don't have it. I think
9 Lynn might have it.

10 MR. PETTINGELL: Off the record.

11 (Brief recess taken).

12 (Whereupon the deposition was suspended at
13 11:35 a.m. due to a medical emergency.)

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SIGNATURE PAGE

I, ROBERT McVEY, do hereby certify that I have read the foregoing transcript of my testimony, and I further certify that said transcript is a true and accurate record of said testimony.

Dated at _____, this _____
day of _____, 2005.

ROBERT McVEY

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ERRATA SHEET

CHANGES TO THE DEPOSITION OF ROBERT McVEY

INSTRUCTIONS TO WITNESS: 1) Please note any desired corrections to your testimony by page and line number. 2) Enter text as it appears in the transcript. 3) Enter text as it should appear.

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C E R T I F I C A T E

COMMONWEALTH OF MASSACHUSETTS
COUNTY OF NORFOLK, ss.

I, Jo Anne M. Shields, a Professional Shorthand Reporter and Notary Public in and for the Commonwealth of Massachusetts, do hereby certify that ROBERT McVEY, the witness whose deposition is hereinbefore set forth, was duly sworn by me and that such deposition is a true and accurate record, to the best of my knowledge, skills and ability, of the testimony given by such witness.

I further certify that I am not related to any of the parties in this matter by blood or marriage and that I am in no way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal of office this 17th day of January, 2005.

Notary Public

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63